

INFORMATION CONCERNING THE CITY OF KANSAS CITY, MISSOURI

GENERAL INFORMATION

Location, Size and Demographics

Kansas City, Missouri (the "City") is the largest City in Missouri and is the central city of a fourteen county Metropolitan Statistical Area (MSA) which includes Bates, Caldwell, Cass, Clay, Clinton, Lafayette, Ray, Jackson and Platte counties in the State of Missouri and Johnson, Linn, Wyandotte, Miami and Leavenworth counties in the State of Kansas. The City is located in parts of Jackson, Clay, Platte and Cass counties on the western border of the State of Missouri, and is situated at the confluence of the Kansas and Missouri rivers on Interstate Highways I-29, I-49, I-35 and I-70.

Historically, the City has pursued a policy of annexation, and is today the 11th largest city in land area in the United States with a total area of approximately 319 square miles (excluding cities consolidated with counties). The City's Department of City Planning and Development estimates that the City's 2015 population is 472,770 and that the population of the Kansas City MSA is 2,085,037. There is excellent quality and reasonably priced housing available in the City. The cost of an existing home in the City is approximately twenty-two percent below the average for comparable homes in the United States as of second quarter 2015.

Municipal Government and Services

The City was incorporated on June 3, 1850. The City is a constitutional home rule city and adopted its present Charter by popular vote on August 8, 2006, (as further amended) pursuant to Article VI, Section 19 of the Missouri Constitution.

The City has a Council-Manager form of government. There are 13 members of the Council, including the Mayor. All are elected for four-year terms, with the Mayor and six Council members elected at large and the other six Council members elected by the residents of their districts. The City Manager is appointed by the Council. The Council determines City policy and oversees City affairs. All resolutions and most ordinances can be passed by the affirmative vote of seven Council members. However, emergency measures for the immediate preservation of the public peace, property, health, safety or morals and ordinances to expel a council member, to amend the zoning law when under protest, to vacate a public right of way, or to engage in temporary loans require nine affirmative votes.

As of September 1, 2015, the City has approximately 6,361 employees including the Police Department. The police are not unionized. Certain Fire personnel are union-eligible; however, not all Fire Department employees are represented by a bargaining unit. Along with the Fire Chief and his Principal Assistant, the Fire Department has administrative and clerical staff, and Deputy Chiefs that are not represented by any bargaining unit. The Fire personnel are represented by the Local 42 IAFF (approximately 1,143 members) and the 3808 IAFF Union (approximately 62 members). Approximately 1,559 City employees in labor classifications are represented by the AFSCME Local 500. The AFSCME Local Union No. 500 is the City's largest union. At this time each of the City's three public employee bargaining unions are in negotiations. The work agreement with Local 500 and Local 3808 expired on April 24, 2015. The work agreement with the International Association of Fire Fighters Local No. 42 expired on April 26, 2015.

The City's tax structure is diverse and includes the Earnings and Profits Tax, Sales and Use Tax, Convention and Tourism Tax, General Property Tax, Gaming Tax, Motor Fuel Tax, Cigarette Tax, Occupational License Tax and Utility Taxes which includes Land-line and Wireless Telephone, Natural Gas, Steam, Cable Television and Electric Taxes.

For the purpose of providing funds for the acquisition, development, construction, operation, and maintenance of a Downtown Arena and appurtenant facilities including costs of land, infrastructure, design, engineering, finance and furnishing and equipping said facilities, qualified voters of the City approved at a general election on August 3, 2004, the modification of the license fees on rental car agencies and on hotels, motels and tourist courts referred to as the Arena Fee.

The City provides all basic municipal services, including police and fire protection, emergency medical treatment, water and sewage treatment, street construction and maintenance, traffic regulation and control, refuse collection, street lighting, public health protection, animal health and safety, property maintenance and public nuisance code enforcement, planning and maintenance of City parks and boulevards, street tree maintenance, municipal golf courses, public swimming pools and tennis courts, community center operations, management of two municipal airports, administration of zoning and building code regulations, parking garage operations, and operation of the City's convention facilities. The Police Department, although funded primarily by General Funds of the City, is a separate governmental entity governed by a Board of Police Commissioners appointed by the Governor of the State of Missouri. School districts, which serve the City, are also separate governmental entities. Truman Medical Center receives funding from a dedicated ad valorem property tax but is governed by a separate board.

SELECTED DEMOGRAPHIC STATISTICS

Kansas City, Missouri			Metropolitan Statistical Area ⁽⁷⁾		
Year	Population	Per Capita Personal Income	Year	Population	Per Capita ⁽⁸⁾ Personal Income
2006	452,490 ⁽¹⁾	24,180 ⁽³⁾	2006	1,930,262 ⁽¹⁾	26,848 ⁽³⁾
2007	454,314 ⁽¹⁾	24,299 ⁽³⁾	2007	1,950,032 ⁽¹⁾	27,650 ⁽³⁾
2008	456,139 ⁽¹⁾	27,298 ⁽³⁾	2008	1,969,802 ⁽¹⁾	29,084 ⁽³⁾
2009	457,963 ⁽¹⁾	25,189 ⁽³⁾	2009	1,989,572 ⁽¹⁾	27,922 ⁽³⁾
2010	459,787 ⁽²⁾	24,756 ⁽³⁾	2010	2,009,342 ⁽²⁾	27,377 ⁽³⁾
2011	462,035 ⁽⁴⁾	26,091 ⁽³⁾	2011	2,025,003 ⁽⁴⁾	28,262 ⁽³⁾
2012	464,472 ⁽⁴⁾	26,066 ⁽³⁾	2012	2,039,213 ⁽⁴⁾	28,882 ⁽³⁾
2013	467,253 ⁽⁴⁾	26,202 ⁽³⁾	2013	2,055,351 ⁽⁴⁾	29,688 ⁽³⁾
2014	470,800 ⁽⁴⁾	26,332 ⁽⁵⁾	2014	2,071,133 ⁽⁴⁾	29,725 ⁽⁵⁾
2015	472,770 ⁽⁶⁾	26,459 ⁽⁵⁾	2015	2,085,037 ⁽⁶⁾	29,958 ⁽⁵⁾

- (1) The Calendar Year 2006-2009 population estimates were provided by the City Planning and Development Department using interpolation between the censuses.
- (2) The 2010 Calendar Year population numbers are from the 2010 Census.
- (3) Fiscal Year 2006-2013 American Community Survey.
- (4) Census Bureau's 2011 to 2014 Population Estimates Program.
- (5) For 2014 and 2015 the estimates are based upon averaging two figures: (1) the 2013 American Community Survey adjusted for CPI change from 2013 to 2014 and (2) City Planning and Development Department extrapolation of the change from 2012 to 2013.
- (6) The Calendar Year 2015 estimates were provided by the City Planning and Development Department using extrapolation of the change from 2010 to 2014.
- (7) Franklin County is now included in the KS Metro area and is no longer considered part of the KC Metro area. The loss of the county is reflected in the population data.
- (8) The 2013-2015 MSA per capita numbers provided were based upon the 14 county MSA and the 2006-2012 MSA per capita numbers provided were based upon the 15 county MSA.

Sources: U.S Census Bureau; City Planning and Development Department; Consumer Price Index and Census Bureau's annual American Community Survey and their Population Estimates Program.

COMPARISON OF METROPOLITAN AREAS

	<u>ACCRA Cost of Living Index 2015 2nd Quarter</u> ⁽¹⁾	<u>Median Price, Existing Homes 2015 2nd Quarter</u> ⁽²⁾	<u>Retail Sales (2015)</u> ⁽³⁾
Kansas City	93.1	\$177,800	\$39,018
U.S.	100.0	\$229,400	\$38,200
Atlanta	98.5	\$181,500	\$41,591
Charlotte	96.2	\$211,400	\$39,586
Chicago	115.7	\$230,500	\$41,903
Columbus	90.5	\$172,000	\$42,088
Dallas	94.4	\$215,200	\$44,033
Denver	109.4	\$362,900	\$40,602
Los Angeles	138.1	\$445,200	\$45,151
Memphis	84.9	\$153,600	\$35,912
Minneapolis	111.2	\$229,200	\$40,891
New York	219.7	\$473,200	\$39,346
Phoenix	95.7	\$217,900	\$45,406
Saint Louis	92.7	\$157,100	\$36,344
Salt Lake City	96.9	\$262,000	\$54,986
San Francisco	176.1	\$841,600	\$42,680

Sources:

All information in the above table was obtained from the Kansas City Area Development Council (KCADC).

For comparability to other City MSA's, Kansas City information is based on fourteen (14) county areas. Reference is further made by KCADC to the following sources:

- (1) The Council for Community and Economic Research, ACCRA.
- (2) National Association of Realtors.
- (3) Woods & Poole Economics.

THE KANSAS CITY ECONOMY

The City is a regional center for transportation, telecommunications, manufacturing, health care, trade, financial services, and government. Major companies headquartered in metropolitan Kansas City, Missouri include Cerner Corp, HCA-Midwest Health Systems, St. Luke's Health System, Sprint Nextel Corporation and Hallmark Cards, Inc. Other major employers include the Public School Systems, State/County/City Government, Federal Government, The University of Kansas Hospital and Children's Mercy Hospitals.

The City's economy provides for a consistent and well distributed earnings and employment environment for its business sectors.

The City's proximity and ready access to geographical and population centers throughout the nation make the area an attractive location for industrial product distribution and trade. The City's central location is advantageous for commuting to all parts of the United States and has enhanced its development and posture as a major transportation center with a complete range of transportation facilities, including a major highway network, railroad trunk lines, and the Kansas City International Airport (KCI). KCI handled 10.3 million passengers in fiscal year 2015. As of April 30, 2015, there were 10 passenger marketing airlines and 19 passenger operating carriers serving 45 cities with nonstop service. From May 2015 through August 2015, KCI handled 3.8 million passengers. As of August 31, 2015, there were 10 passenger marketing airlines and 20 passenger operating carriers serving 40 cities with nonstop service. Flight times from KCI are about three hours to either coastline.

MAJOR KANSAS CITY METROPOLITAN STATISTICAL AREA EMPLOYERS

Kansas City Metropolitan Area

Principal Employers

Employer	Type of Business	Number of Employees
Public School System ⁽¹⁾	Education	30,172
Federal Government	Government	30,000
State/County/City Government ⁽²⁾	Government	24,616
Cerner Corp	Health Care Information Technology	10,128
HCA Midwest Health Systems	Health Care Provider	9,753
Saint Luke's Health System	Health Care Provider	7,550
Children's Mercy Hospitals & Clinic	Health Care Provider	6,305
Sprint Corp.	Wireless Telecommunication	6,300
The University of Kansas Hospital	Acute-Care Hospital	6,030
Hallmark Cards, Inc.	Greeting Cards, Expression Products & Television Programming	4,600
Garmin International, Inc.	Communication and Navigation Products	3,723
DST Systems	Information Processing & Software Products	3,500
General Motors Fairfax Assembly Plant	Automotive Assembly	3,500
Truman Medical Centers	Health Care Provider	3,175
The University of Kansas Medical Center	Medical, Nursing and Health Professional Education; Biomedical Research	3,174
University of Missouri-Kansas City	Four-year Public University	3,109
Black & Veatch	Engineering	3,107

(1) The number of local employees for the public school systems is made up of twelve (12) public school systems and school districts.

(2) The number of local employees for the State/County/City Government is made up of seven (7) employers.

(3) The information presented in this table speaks only as of the date indicated in the source.

Source: Top Public-Sector Employers, Kansas City Business Journal, July 24, 2015 and Top 100 Area Private Sector Employers, Kansas City Business Journal, July 31, 2015. The data compiled is self-reported.

Note: Ford Motor Company is not listed because they chose not to participate in the survey.

EMPLOYMENT INFORMATION

The following table shows the annual average non-farm employment for the metropolitan area for 2010 to 2014.

ANNUAL AVERAGE NON-FARM EMPLOYMENT METROPOLITAN AREA⁽¹⁾

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Manufacturing	70,200	69,600	69,000	68,900	71,600
Trade, Transport & Utilities	191,500	194,600	196,900	198,800	204,600
Information	31,200	28,900	29,500	29,800	29,800
Finance	71,200	71,500	73,800	73,800	73,400
Professional & Business Services	146,300	152,300	158,700	163,200	167,200
Educational & Health Services	129,400	132,600	134,800	137,000	139,900
Leisure & Hospitality	92,000	93,800	97,100	98,800	101,600
Government	150,300	148,300	147,000	145,600	145,200
Mining, Logging & Construction	38,400	37,300	38,700	41,100	43,200
Other Services	43,800	44,100	43,300	42,000	42,000
<i>Total Non-farm</i>	964,300	973,000	988,800	999,000	1,018,500

(1) Restated from last year's report.

Sources: U.S. Department of Labor, Bureau of Labor Statistics.

The following table depicts average annual unemployment rates for the last ten calendar years.

AVERAGE ANNUAL UNEMPLOYMENT RATES

Year	Kansas City	MSA	United States
2006	6.4	5.1	4.6
2007	6.5	5.1	4.6
2008	7.7	5.9	5.8
2009	9.8	8.7	9.3
2010	10.0	8.7	9.6
2011	8.9	7.8	9.0
2012	7.3	6.5	8.1
2013	7.3	6.3	7.4
2014	6.7	5.6	6.2
2015	6.5 ⁽¹⁾	5.5 ⁽¹⁾	5.5 ⁽²⁾

(1) January - July (includes preliminary July numbers)

(2) January - August (Average)

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table shows the valuation of building construction for the last ten fiscal years:

Property Valuation
BUILDING CONSTRUCTION VALUATION
(Amounts Expressed in Thousands)

Fiscal Year	Commercial Valuation	Residential Valuation	Total
2006	1,095,063	417,816	1,512,879
2007	749,898	345,252	1,095,150
2008	900,097	354,808	1,254,905
2009	710,284	240,803	951,087
2010	398,961	158,783	557,744
2011	467,065	125,639	592,704
2012	582,122	160,203	742,325
2013	648,705	145,492	794,198
2014	537,642	168,295	705,937
2015	728,658	469,350	1,198,008

Sources: Development Services Division, City Planning and Development Department, City of Kansas City, Missouri.

The following table shows the locally assessed value of both real and personal taxable property for the last ten fiscal years:

ASSESSED VALUE OF TAXABLE PROPERTY
(Amounts Expressed in Thousands)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value
2006	4,903,714	1,432,570	6,336,284
2007	5,051,611	1,438,517	6,490,128
2008	5,535,951	1,555,199	7,091,150
2009	5,600,250	1,578,677	7,178,927
2010	5,372,466	1,507,749	6,880,215
2011	5,412,663	1,464,297	6,876,960
2012	5,352,712 ⁽¹⁾	1,488,480	6,841,192 ⁽¹⁾
2013	5,341,906 ⁽¹⁾	1,465,705	6,807,611 ⁽¹⁾
2014	5,320,033 ⁽¹⁾	1,486,460	6,806,493 ⁽¹⁾
2015	5,355,304	1,527,037	6,882,341

(1) Restated from last year's report

Sources: Original data obtained from aggregate assessed valuation reports provided by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

BUDGETING, ACCOUNTING AND AUDITING PROCEDURES

Budget Process

The City Charter requires that the City Council adopt an annual budget for the City's May 1 through April 30 fiscal year. In fulfilling this requirement, the City's year-round budget and planning process consists of five phases:

Five Year financial plan. The City Charter requires that the Mayor and Council adopt a five-year financial plan by November 1 of each year. Adoption of the annual budget will include consideration of the five-year financial plan and priorities established by the Council by ordinance.

Budget Development. The five year financial plan now drives the budget process, ensuring that the priorities established by the Council receive the attention, funding, and systems that make their achievement possible. The Finance Department issues budget instructions to city departments, boards, and commissions to be used in estimating revenues and requesting the appropriations necessary to fulfill their needs in the next fiscal year. Departments prepare their budget requests based on estimates of work to be performed and associated cost. The amounts requested must be justified in terms of the results to be achieved.

Budget Review. The Finance Department performs technical and policy reviews of departmental budget requests and forwards recommendations to the City Manager. The Director of Finance and the City Manager confer with departmental staff to formulate a balanced budget.

Budget Consideration and Adoption. The City Manager transmits the budget request to the Mayor and the City Council not later than the second regular meeting in February the annual budget. The City Council conducts a review of the budget, including hearings with the City Manager and department officers. Upon completion of its review of the budget the City Council holds at least one public hearing and, in any case not later than the first regular meeting in March, places on file in the office of the City Clerk the annual budget ordinance and holds hearings with the public. At the fourth regular meeting in March, the City Council adopts the annual budget ordinance with or without alteration or amendment.

Administration of the Budget. After the budget has been adopted by the City Council, the approved appropriations and revenues are entered into the City's financial accounting system. The Finance Department reports to the City Council not later than twenty days after the close of each month, a financial report on the financial condition of the City as of the last day of each month. The Finance Department performs a quarterly budget analysis of revenues and appropriations, makes new estimates of same, and recommends necessary budget adjustments to ensure the City's budget remains in balance. Strict budgetary compliance is maintained through the checks and balances of administrative regulations, Finance Department Manuals of Instruction, and an automated accounting system.

Accounting Procedures and Annual Audit

Under the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 34) – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, a dual reporting perspective is required for financial statement presentation. This dual perspective includes both a fund basis perspective and an entity wide perspective. Fiscal year 2002-03 was the first year of implementation of GASB 34 for the City.

Under the fund basis perspective, the City reports on a modified accrual basis of accounting for the various Governmental fund types and the accrual basis of accounting is utilized by the Proprietary and Fiduciary fund types. Under the entity wide perspective, the accrual basis of accounting is utilized.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and that financial statements present fairly the results of operations of the various funds of the City. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The Charter requires an annual audit of the City's financial statements by an independent certified public accountant. In addition to meeting the requirements set forth in the Charter, the City has obtained an audit in accordance with the provisions of the Office of Management and Budget Circular A-133.

INFORMATION ON GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Five Fiscal years
(in thousands)

	2011	2012	2013	2014	2015
Revenues:					
Taxes	534,656	543,326	570,305	596,715	647,423
Licenses, permits, and franchises	149,488	137,754	134,646	139,441	142,381
Fines and forfeitures	17,027	15,809	13,678	15,158	19,586
Rents and concessions	14,949	19,230	15,006	14,734	15,586
Charges for services	84,497	80,377	78,453	88,320	88,231
Special assessments	7,000	7,231	6,978	9,888	10,549
Intergovernmental	110,460	105,080	95,321	91,168	73,965
Investment earnings	6,711	(2,085)	4,119	827	2,951
Contributions	26,206	27,313	23,891	11,155	7,959
Lease rentals	—	—	—	—	—
Other revenues	17,396	21,508	17,447	16,431	19,094
Total revenues	968,390	955,543	959,844	983,837	1,027,725
Expenditures:					
General government	97,544	114,800	122,827	115,493	114,117
Fire	124,810	128,851	142,029	141,345	152,202
Public works	73,216	85,871	100,787	117,007	93,450
Codes administration	—	—	—	—	—
Neighborhood development	66,970	65,070	58,519	52,706	52,407
Health	51,431	52,778	53,097	53,067	52,913
Culture and recreation	37,191	38,582	38,933	44,113	45,470
Convention facilities	26,642	30,478	29,628	30,285	30,013
Pollution control	—	—	—	—	—
Nondepartmental	20,816	2,486	—	8,001	11,684
Police	186,431	192,747	205,089	211,196	214,923
Intergovernmental	42,450	44,746	46,158	47,807	46,610
Capital Improvement Expenditures	225,682	221,417	100,399	131,578	135,453
Debt service:					
Principal retirement	72,084	72,544	80,777	75,354	77,626
Interest	59,686	62,522	65,047	63,258	65,042
Fiscal agent fees	5,026	2,249	1,923	1,674	1,352
Bond issuance costs	421	3,640	—	1,489	160
Swap settlement payment	—	5,306	—	—	—
Payment to refunding bond escrow agent	—	—	—	6,200	501
Total expenditures	1,090,400	1,124,087	1,045,213	1,100,573	1,093,923
Excess of revenues over (under) expenditures	(122,010)	(168,544)	(85,369)	(116,736)	(66,198)
Other financing sources (uses):					
Issuance of debt	66,347	191,873	2,282	115,934	19,334
Issuance of refunding debt	6,470	285,639	—	65,485	13,295
Premium on bond issue	—	10,512	—	6,705	—
Discount on bond issue	—	—	—	(94)	—
Premium/discount on bond issue	3,487	—	—	—	—
Payment to refund bond escrow agent	(7,155)	(304,776)	—	(67,621)	(13,295)
Premium on refunding bond issue	—	19,359	—	3,090	—
Discount on refunding bond issue	—	—	—	(541)	—
Fund removal of variable rate demand bonds	—	—	—	25,520	6,090
Fund recognition of variable rate demand bonds	—	—	(25,520)	(6,090)	—
Proceeds of capital leases	—	—	—	—	—
Transfers in	142,761	160,387	153,502	159,363	156,017
Transfers out	(142,761)	(160,387)	(153,502)	(159,363)	(156,017)
Intergovernmental transfers	—	—	—	—	—
Total other financing sources (uses)	69,149	202,607	(23,238)	142,388	25,424
Restatement of beginning fund balance	—	—	—	—	—
Net change in fund balance	(52,861)	34,063	(108,607)	25,652	(40,774)
Debt service expenditures (principal and interest only)	131,770	135,066	145,824	138,612	142,668
Capital Improvement Expenditures	225,682	221,417	100,399	131,578	135,453
Net operating expenditures	864,718	902,670	944,814	968,995	958,470
Debt Service as a percentage of net operating expenditures	15.2%	15.0%	15.4%	14.3%	14.9%

Source: Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Report Fiscal Year 2015.

Sources of revenue for the City's governmental funds are widely diversified as shown in the following table:

GOVERNMENTAL FUND REVENUES
(Amount Expressed in Thousands)

	<u>2014</u>	<u>2015</u>	<u>Increase or (Decrease)</u>	<u>Percentage Increase or (Decrease)</u>
Revenues:				
Taxes	596,715	647,423	50,708	8.50%
Licenses, permits, and franchises	139,441	142,381	2,940	2.11%
Fines and forfeitures	15,158	19,586	4,428	29.21%
Rents and concessions	14,734	15,586	852	5.78%
Charges for services	88,320	88,231	(89)	(0.10)%
Special assessments	9,888	10,549	661	6.68%
Intergovernmental	91,168	73,965	(17,203)	(18.87)%
Investment earnings	827	2,951	2,124	256.83%
Contributions	11,155	7,959	(3,196)	(28.65)%
Other revenues	16,431	19,094	2,663	16.21%
Total revenues	<u>983,837</u>	<u>1,027,725</u>	<u>43,888</u>	<u>4.46%</u>

Revenues for the City's governmental funds during fiscal year 2015 totaled \$1,027,725 billion, an increase of 4.46% over fiscal year 2014.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

The City's governmental funds are used to account for expenditures of traditional government services as shown in following table:

GOVERNMENTAL FUND EXPENDITURES
(Amount Expressed in Thousands)

	2014	2015	Increase or (Decrease)	Percentage of Increase or (Decrease)
Expenditures:				
General government	115,493	114,117	(1,376)	(1.19)%
Fire	141,345	152,202	10,857	7.68%
Public works	117,007	93,450	(23,557)	(20.13)%
Codes administration	—	—	—	—
Neighborhood development	52,706	52,407	(299)	(0.57)%
Health	53,067	52,913	(154)	(0.29)%
Culture and recreation	44,113	45,470	1,357	3.08%
Convention facilities	30,285	30,013	(272)	(0.90)%
Pollution control	—	—	—	—
Nondepartmental	8,001	11,684	3,683	46.03%
Police	211,196	214,923	3,727	1.76%
Intergovernmental	47,807	46,610	(1,197)	(2.50)%
Capital Improvement Expenditures	131,578	135,453	3,875	2.95%
Debt service:				
Principal retirement	75,354	77,626	2,272	3.02%
Interest	63,258	65,042	1,784	2.82%
Fiscal agent fees	1,674	1,352	(322)	(19.24)%
Bond issuance costs	1,489	160	(1,329)	(89.26)%
Swap settlement payment	—	—	—	—
Payment to refunding bond escrow agent	6,200	501	(5,699)	(91.92)%
Total expenditures	1,100,573	1,093,923	(6,650)	(0.60)%

Expenditures for the City's governmental funds during fiscal year 2015 totaled \$1,093,923 billion, a decrease of .6% over fiscal year 2014.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

The fund balances of the General Fund and other selected operating funds for the last five years are shown in the following table:

FUND BALANCES Governmental Funds <i>Budget Basis ⁽¹⁾</i> <i>(Amount Expressed in Thousands)</i>					
	2011	2012	2013	2014	2015
General Fund	\$39,832 ⁽²⁾	\$41,205 ⁽⁴⁾	\$43,432 ⁽⁵⁾	\$41,418 ⁽⁶⁾	\$55,885 ⁽⁷⁾
General Fund Expenditures & Transfers Out (actual)	\$468,185	\$453,686	\$469,532	\$478,271	483,189
Fund Balance as a Percent Of Expenditures & Transfers	8.51%	9.08%	9.25%	8.66%	11.57%
Other Operating Funds					
Park Funds ⁽³⁾	\$17,325	\$15,011	\$12,141	\$13,328	\$17,738
Motor Fuel Tax	----	----	----	1,122	4,016
Public Mass Transit ⁽⁸⁾	2,708	5,015	4,085	1,790	7,313
Convention and Tourism	5,927	6,930	4,487	4,228	5,954
Capital Improvements	72,789	72,826	59,794	41,777	45,947
Other	47,352	22,775	11,252	24,773	35,164
General Debt & Interest	996	1,000	1,000	500	500
Total General & Other Selected Operating Funds	\$186,929	\$164,762	\$136,191	\$128,936	\$172,517

(1) The City budgets on a cash basis.

(2) The general fund balance was adjusted to \$35.4 million on May 1, 2011 or 7.56% of General Fund expenditures and transfers out. This was the result of an ending balance of \$39.8 million less \$4.4 million of re-appropriations of unspent appropriations.

(3) Several Parks Funds, which were classified under “Other” in previous reports, were moved from the “Other” category to the “Parks Funds” category.

(4) The general fund balance was adjusted to \$39.1 million on May 1, 2012 or 8.62% of General Fund expenditures and transfers out. This was the result of an ending balance of \$41.2 million less \$7.7 million of re-appropriations of unspent appropriations plus \$5.6 million of re-estimation of uncollected revenue.

(5) The general fund balance was adjusted to \$40.5 million on May 1, 2013 or 8.63% of General Fund expenditures and transfers out. This was the result of an ending balance of \$43.4 million less \$4.5 million of re-appropriations of unspent appropriations plus \$1.6 million of re-estimation of uncollected revenue.

(6) The general fund balance was adjusted to \$40.5 million on May 1, 2014 or 8.47% of General Fund expenditures and transfers out. This was the result of an ending balance of \$41.4 million less \$3.2 million of re-appropriations of unspent appropriations plus \$2.3 million of re-estimation of uncollected revenue.

(7) The general fund balance was adjusted to \$54.6 million on May 1, 2015 or 11.30% of General Fund expenditures and transfers out. This was the result of an ending balance of \$55.9 million less \$1.9 million of re-appropriations of unspent appropriations plus \$0.6 million of re-estimation of uncollected revenue.

(8) Fund name changed in FY 2013 to Street Maintenance Fund from Public Mass Transit Fund.

Source: Required supplementary information and combining individual funds statements and schedules of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

PROPERTY TAX VALUATIONS AND REVENUES

Assessment Procedure

All taxable real and personal property within the City is assessed annually by the County Assessors. Missouri Law requires that property be assessed at the following percentages of true value:

Personal property.....	33-1/3%
Residential real property	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial railroad and all other real property.....	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986 requiring biennial reassessment of real property. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with the biennial assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Every person owning or holding real property or tangible personal property on January 1 of any calendar year shall be liable for taxes. Certain properties, such as those used for charitable, educational and religious purposes are excluded from both the real estate ad valorem tax and personal property tax.

History of Property Valuations

The following table shows the total assessed valuation, by category, of all taxable, tangible property located in the City according to the assessment on January 1, 2014 (fiscal year 2015):

Real Property	\$5,355,304,014
Individual and Business Personal Property	1,409,834,126
Railroad and Utility Property-Personal	<u>117,202,774</u>
TOTAL	\$6,882,340,914

The total assessed valuation and estimated true valuation of all taxable, tangible property located in the City, according to the assessments on January 1 for the last ten years are shown in the following table:

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
(Amount Expressed in Thousands)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate⁽¹⁾	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2006	\$4,903,714	1,432,570	6,336,284	1.51	26,546,653	23.87%
2007	5,051,611	1,438,517	6,490,128	1.51	27,290,484	23.78%
2008	5,535,951	1,555,199	7,091,150	1.46	29,826,561	23.77%
2009	5,600,250	1,578,677	7,178,927	1.47	30,299,672	23.69%
2010	5,372,466	1,507,749	6,880,215	1.47	29,018,324	23.71%
2011	5,412,663	1,464,297	6,876,960	1.53	29,093,406	23.64%
2012	5,352,712 ⁽²⁾	1,488,480	6,841,192 ⁽²⁾	1.55	28,923,054 ⁽²⁾	23.65% ⁽²⁾
2013	5,341,906 ⁽²⁾	1,465,705	6,807,611 ⁽²⁾	1.59	28,814,637 ⁽²⁾	23.63% ⁽²⁾
2014	5,320,033 ⁽²⁾	1,486,460	6,806,493 ⁽²⁾	1.59	28,680,718 ⁽²⁾	23.73% ⁽²⁾
2015	5,355,304	1,527,037	6,882,341	1.60	28,971,795	23.76%

(1) Per \$100 of assessed valuation.

(2) Restated

Source: Original data was obtained from aggregate assessed valuation reports provided by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

Property Tax Levies and Collections

Tax Collection Procedure. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's general obligation debt for the ensuing budget year.

City real estate taxes are collected by each County Collector of Revenues, who then disburse such revenue to the City Treasurer. Real estate and personal property taxes are due and payable to the Counties and State on November 1 and become delinquent after December 31 of the year in which they are levied.

Tax Rates. The following table shows the City's tax levies over the past ten years:

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

City Direct Rates						Overlapping Rates		
Fiscal Year	General	Health	Debt & Interest	Museum	Total Direct Tax Rate (1)(2)	Jackson County	Clay County	Platte County
2006	0.6519	0.6946	0.1400	0.0190	1.5055	7.9089	8.0109	7.1046
2007	0.6519	0.6946	0.1400	0.0190	1.5055	7.9101	8.0144	7.0947
2008	0.6320	0.6728	0.1400	0.0184	1.4632	7.8368	8.2323	6.8183
2009	0.6342	0.6751	0.1400	0.0185	1.4678	7.8748	8.2383	6.8198
2010	0.6342	0.6751	0.1400	0.0185	1.4678	7.9131	8.2496	6.8723
2011	0.6663	0.7046	0.1400	0.0185	1.5294	7.9818	8.3175	7.3449
2012	0.6786	0.7135	0.1400	0.0188	1.5509	7.9908	8.3396	7.3571
2013	0.7079	0.7200	0.1400	0.0196	1.5875	8.0288	8.3776	7.3951
2014	0.7134	0.7200	0.1400	0.0198	1.5932	8.0223 ⁽³⁾	9.0167 ⁽³⁾	7.5234 ⁽³⁾
2015	0.7197	0.7200	0.1400	0.0200	1.5997	8.0064	8.9217	7.9664

(1) In addition to this total, there are special levies on assessed value of land exclusive of improvements of \$0.50 per \$100 for park maintenance and \$0.25 per \$100 for trafficway maintenance and a boulevard tax of \$1.00 per front foot. These special levies apply to Fiscal Years 2006-2012. Effective January 1, 2013 these special levies were replaced by a park sales tax of ½ cent.

(2) Per \$100 of assessed valuation.

(3) Restated

Sources: Treasury Division, Finance Department, City of Kansas City, Missouri.

The tax rate for municipal operating purposes cannot exceed \$1.00 per \$100 assessed valuation; in fiscal year 2015, the City levied 71.97 cents of this limit. The City levies an annual tax for the purpose of operating hospitals and public health facilities. In 2015, the City levied 50 cents per \$100 assessed valuation, plus an additional 22.00 cents per \$100 assessed valuation for a temporary nine (9) year health levy approved by the voters on April 2, 2013. For museum purposes in fiscal year 2015, the City levied 2.00 cents of the statutory maximum 10 cents per \$100 assessed valuation. There is no legal limitation on the tax rate for the payment of principal and interest on general obligation debt. In fiscal year 2015, the City levied 14 cents per \$100 assessed valuation.

A Missouri constitutional amendment limiting taxation and government spending, limits the rate of growth of the total amount of taxes which may be imposed in any fiscal year. The limit may not be exceeded without a majority vote. Provisions are included in the amendment for rolling back levy rates to produce an amount of revenue equal to that of the previous year plus allowable growth due to inflation. The assessed valuations of new construction, new personal property, and newly annexed areas are exempt from this limitation.

Tax Collection Record. The following table sets forth tax collection information for the last ten fiscal years:

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage
2006	95,723,211	89,701,140	93.71%	5,908,624 ⁽²⁾	95,609,764 ⁽²⁾	99.88% ⁽²⁾
2007	96,838,391	92,173,452	95.18%	4,664,938	96,838,390	100.00%
2008	105,763,238	99,263,296	93.85%	6,373,915 ⁽²⁾	105,637,211 ⁽²⁾	99.88% ⁽²⁾
2009	105,546,449	97,077,970	91.98%	8,468,479	105,546,449	100.00%
2010	99,987,436	95,397,312	95.41%	4,590,123	99,987,435	100.00%
2011	105,234,537	96,394,935	91.60%	7,523,604 ⁽²⁾	103,918,539 ⁽²⁾	98.75% ⁽²⁾
2012	105,208,148	99,284,461	94.37%	5,923,688 ⁽²⁾	105,208,149 ⁽²⁾	100.00% ⁽²⁾
2013	108,182,593	102,091,241	94.37%	5,481,226 ⁽²⁾	107,572,467 ⁽²⁾	99.44% ⁽²⁾
2014	109,208,635	102,295,652	93.67%	3,927,085	106,222,737 ⁽²⁾	97.27% ⁽²⁾
2015	109,799,591	104,046,643	94.76%	(see footnote 1)	104,046,643	94.76%

(1) Fiscal Year 2015 tax collections made in Fiscal Year 2016 will be reflected in Fiscal Year 2015 of next year's report.

(2) Restated from Fiscal Year 2014 Report.

Sources: The Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

Principal taxpayers for fiscal year 2015 are shown in the following table:

City of Kansas City, Missouri

Top Ten Companies for Withholding of Earnings and Profits Tax – Current Year and Ten Years Ago

By Industry Classification

(In thousands)

	Fiscal year 2015		Fiscal year 2006
Government	4,930	Government	3,306
Business services	4,818	Government	3,044
Healthcare	4,006	Commercial printing	2,425
Engineering	3,565	Investment/financial services	2,117
Government	2,301	Government	2,085
Commercial printing	2,231	Data processing services	1,974
Aircraft manufacturing/ engineering	1,971	Healthcare	1,802
Data processing services	1,945	Aircraft manufacturer/engineering	1,669
Healthcare	1,788	Education	1,596
Banking	1,716	Business services	1,590
Total top ten companies by industry classification	\$ <u>29,271</u>		\$ <u>21,608</u>
Total withholding tax	\$ 176,281		\$ 139,762
Percentage of top ten companies to total withholding tax	16.60%		15.46%

Taxpayer confidentiality prevents the disclosure of amounts by company name.

Sources: Division of Accounts, Revenue Division and Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

CASH MANAGEMENT, RISK MANAGEMENT, AND PENSION PLANS

Cash Management

The goal of the City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City maintains pooled and restricted investments in accordance with state law, the City Charter, the Code of Ordinances and the City's Investment Policy.

The investment portfolio, at book value, excluding pensions and trusts, totaled \$999,204,238 on April 30, 2015, and was distributed in the following instruments:

Collateralized Money Market Account	\$ 20,002,003
U.S. Treasury Obligations	201,175,350
U.S. Agencies	<u>778,026,885</u>
Total	\$ 999,204,238

The weighted average yield on these investments as of April 30, 2015 was 1.03 percent. Total earnings from investments were \$6,813,287, a 5.59 percent decrease from the prior Fiscal Year 2014.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

Risk Management (Property and Liability Coverage)

The City maintains all risk property insurance for property damage claims related to City buildings and contents, including Aviation Department property. The City also provides insurance for employee fraud, public official and notary bonding, a tenant and user policy for special events, excess general liability insurance, and excess workers' compensation claims.

The City purchases commercial property insurance for buildings, together with their contents with a limit of \$750,000,000 and \$175,000,000 on boilers and machinery. The City pays an annual premium and assumes a \$150,000 deductible. The policy is renewable annually.

The City is afforded governmental tort immunity pursuant to Section 537.600, RSMo. However, this state statute specifically waives the City's immunity for damages resulting from its negligence arising out of the operation of a motor vehicle and damages caused by the dangerous condition of its property. The City's liability for these damages cannot exceed the maximum amounts established in Section 537.610, RSMo, which are \$409,123 per person and \$2,727,489 per occurrence.

Therefore, the City has adopted a risk management program with regard to third party claims for damage and loss. This program would apply to any third party claims for damage or loss based on the negligence of the City or of its employees, officers and agents. The City has a retained risk fund to satisfy claims. Any third party loss exceeding the fund assets would be paid by appropriation passed by the City Council.

EMPLOYEE RETIREMENT AND PENSION PLANS

Employee Retirement and Pension Plans and the Police & Civilian Employees' Retirement System

The City has two contributory defined benefit pension plans, the Employees' Retirement System and the Firefighters' Pension System (the "City Pension Plans"), covering substantially all employees. Contributions to the City Pension Plans are made by the City and covered employees. The contributions are calculated to fund normal cost and amortization of unfunded prior service costs. The City receives annual actuarial reports on the present value of accumulated plan benefits and net assets available for benefits.

Two contributory defined benefit pension plans ("Police Pension Plans") have been established by the Missouri General Assembly for the employees of the Kansas City, Missouri Police Department: the Police Retirement System of Kansas City, Missouri and the Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri. The participating employees and the City of Kansas City, Missouri make contributions to the Police Pension Plans. The Board of Trustees contract for annual actuarial valuations to determine the present value of accumulated plan benefits and net assets available for benefits. The contribution rates are calculated to fund normal costs and to amortize the unfunded actuarial accrued liability.

Plan design changes for the police and police civilian pension plans were approved by the Missouri General Assembly and the Governor in August 2013 and were implemented on September 1, 2013. Plan design changes for the employees' and firefighters' pension plans were approved by affected labor unions and were approved by the City Council on February 20, 2014. The plan design changes for all four pension plans include a requirement that the City fully fund the Annual Required Contribution (ARC). Other changes include a Tier 2 benefit plan for new employees and increased contributions from all employees.

The four retirement plans adopted the provisions of Governmental Accounting Standards Board Statement No 67 - *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* for their stand-alone financial reports for the fiscal year ended April 30, 2015. The City has not adopted the provisions of Governmental Accounting Standards Board Statement No 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB Statement No. 68) for its CAFR for the fiscal year ended April 30, 2015. The City will adopt GASB Statement No. 68 for the fiscal year ended April 30, 2016.

The following are ten-year historical tables which provide information regarding the above-referenced pension plans:

Historical Funding Progress - Actuarial Value

Pension Systems						
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
		<i>(in thousands)</i>				
	Actuarial	Actuarial	Unfunded		Covered	UAAL
Actuarial Valuation Date	Value of	Liability	AAL	Funded Ratio	Payroll	as a
	Assets	(AAL)	(UAAL)			Percentage
		Entry Age				of Covered
						Payroll
Police Retirement System						
4/30/2006	635,622	775,272	139,650	81.99 %	71,835	194.40 %
4/30/2007	698,079	807,902	109,823	86.41 %	80,112	137.09 %
4/30/2008	742,060	850,764	108,704	87.23 %	86,701	125.38 %
4/30/2009	641,177	893,559	252,382	71.76 %	89,884	280.79 %
4/30/2010	722,464	915,463	192,999	78.92 %	90,475	213.32 %
4/30/2011	715,764	940,609	224,845	76.10 %	88,445	254.22 %
4/30/2012	734,376	972,128	237,752	75.54 %	87,881	270.54 %
4/30/2013	749,617	964,302	214,685	77.73 %	90,708	236.67 %
4/30/2014	773,338	1,006,243	232,905	76.85 %	96,150	242.23 %
4/30/2015	803,673	1,037,257	233,584	77.48 %	97,103	240.55 %
Civilian Employees' Retirement System						
4/30/2006	78,847	105,928	27,081	74.43 %	23,876	113.42 %
4/30/2007	89,111	110,394	21,283	80.72 %	25,472	83.55 %
4/30/2008	97,990	117,627	19,637	83.31 %	27,046	72.61 %
4/30/2009	86,333	124,990	38,658	69.07 %	27,581	140.16 %
4/30/2010	100,516	131,223	30,707	76.60 %	26,136	117.49 %
4/30/2011	102,523	137,040	34,518	74.81 %	25,239	136.76 %
4/30/2012	108,018	142,908	34,889	75.59 %	25,255	138.15 %
4/30/2013	113,171	148,663	35,492	76.12 %	26,461	134.12 %
4/30/2014	119,076	155,264	36,188	76.69 %	27,077	133.65 %
4/30/2015	126,030	160,471	34,441	78.54 %	27,887	123.50 %
Employees' Retirement System						
5/1/2006	745,721	800,840	55,119	93.12 %	146,365	37.66 %
5/1/2007	823,014	847,393	24,379	97.12 %	158,780	15.35 %
5/1/2008	873,680	934,334	60,654	93.51 %	169,867	35.71 %
5/1/2009	704,069	966,779	262,710	72.83 %	160,201	163.99 %
5/1/2010	749,552	994,768	245,216	75.35 %	153,948	159.28 %
5/1/2011	806,793	1,010,996	204,203	79.80 %	163,114	125.19 %
5/1/2012	847,090	1,070,752	223,663	79.11 %	161,134	138.81 %
5/1/2013	900,062	1,115,165	215,103	80.71 %	166,878	128.90 %
5/1/2014	962,152	1,149,884	187,732	83.67 %	167,629	111.99 %
5/1/2015	1,026,046	1,185,744	159,698	86.53 %	166,853	95.71 %
Firefighters' Pension System						
5/1/2006	381,404	434,033	52,629	87.87 %	47,022	111.92 %
5/1/2007	412,408	447,939	35,531	92.07 %	49,421	71.89 %
5/1/2008	447,209	478,734	31,525	93.42 %	51,169	61.61 %
5/1/2009	348,489	500,194	151,704	69.67 %	53,613	282.96 %
5/1/2010	435,428	516,600	81,172	84.29 %	51,934	156.30 %
5/1/2011	432,541	528,481	95,940	81.85 %	51,983	184.56 %
5/1/2012	420,337	535,215	114,878	78.54 %	60,063	191.26 %
5/1/2013	418,712	547,788	129,076	76.44 %	58,356	221.19 %
5/1/2014	452,378	583,168	130,790	77.57 %	59,410	220.15 %
5/1/2015	476,356	603,418	127,061	78.94 %	59,295	214.29 %

Sources:

- 1) City of Kansas City, Missouri Employees' Retirement System Actuarial Valuation Report as of May 1, 2015 prepared by Cheiron
- 2) City of Kansas City, Missouri Firefighters' Pension System Actuarial Valuation Report as of May 1, 2015 prepared by Cheiron
- 3) Police Retirement System of Kansas City, Missouri Actuarial Valuation Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC
- 4) Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri Actuarial Valuation Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC
- 5) Fiscal Year 2006 -2015 Comprehensive Annual Financial Report

Historical Valuation Calculation Based on GASB 67

Pension Systems						
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
	<i>(in thousands)</i>					
Valuation Date	Plan Fiduciary Net Position	Total Pension Liability	Net Pension Liability	Ratio of Plan Fiduciary Net Position to Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
		Police Retirement System				
4/30/2015	793,880	1,125,374	331,494	70.54 %	106,183	312.19 %
		Civilian Employees' Retirement System				
4/30/2015	123,941	169,733	45,792	73.02 %	30,142	151.92 %
		Employees' Retirement System				
4/30/2015	1,085,133	1,191,821	106,688	91.05 %	182,852	58.35 %
		Firefighters' Pension System				
4/30/2015	483,018	604,987	121,970	79.84 %	70,830	172.20 %

Sources:

- 1) City of Kansas City, Missouri Employees' Retirement System GASB 67 and 68 Report as of April 30, 2015 prepared by Cheiron
- 2) City of Kansas City, Missouri Firefighters' Pension System GASB 67 and 68 Report as of April 30, 2015 prepared by Cheiron
- 3) The Police Retirement System of Kansas City, Missouri GASB No. 67 Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC
- 4) The Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri GASB No. 67 Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC

Note:

- 1) GASB 67 historical valuation only started in Fiscal Year 2015.

Historical Funding Progress - Market Value

Pension Systems

	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
		<i>(in thousands)</i>				
		Actuarial Accrued Liability (AAL) Entry Age	Unfunded Market Value	Market Value Funded Ratio	Covered Payroll	AAL - Market Value as a Percentage of Covered Payroll
Actuarial Valuation Date	Market Value of Assets					
Police Retirement System						
4/30/2006	692,540	775,272	82,732	89.33%	71,835	115.17%
4/30/2007	755,107	807,902	52,795	93.47%	80,112	65.90%
4/30/2008	734,380	850,764	116,384	86.32%	86,701	134.24%
4/30/2009	534,314	893,559	359,245	59.80%	89,884	399.68%
4/30/2010	655,571	915,463	259,892	71.61%	90,475	287.25%
4/30/2011	715,764	940,609	224,845	76.10%	88,445	254.22%
4/30/2012	687,871	972,128	284,257	70.76%	87,881	323.46%
4/30/2013	717,318	964,302	246,984	74.39%	90,708	272.28%
4/30/2014	763,076	1,006,243	243,167	75.83%	96,150	252.90%
4/30/2015	793,880	1,037,257	243,377	76.54%	97,103	250.64%
Civilian Employees' Retirement System						
4/30/2006	85,256	105,928	20,672	80.48%	23,876	86.58%
4/30/2007	95,807	110,394	14,587	86.79%	25,472	57.27%
4/30/2008	96,639	117,627	20,988	82.16%	27,046	77.60%
4/30/2009	71,944	124,990	53,046	57.56%	27,581	192.33%
4/30/2010	91,224	131,223	39,999	69.52%	26,136	153.04%
4/30/2011	102,523	137,040	34,517	74.81%	25,239	136.76%
4/30/2012	101,193	142,908	41,715	70.81%	25,255	165.18%
4/30/2013	108,518	148,663	40,145	73.00%	26,461	151.71%
4/30/2014	117,341	155,264	37,923	75.58%	27,077	140.06%
4/30/2015	123,941	160,471	36,530	77.24%	27,887	130.99%
Employees' Retirement System						
5/1/2006	828,579	800,840	(27,739)	103.46%	146,365	-18.95%
5/1/2007	914,460	847,393	(67,067)	107.91%	158,780	-42.24%
5/1/2008	883,100	934,334	51,234	94.52%	169,867	30.16%
5/1/2009	640,063	966,779	326,716	66.21%	160,201	203.94%
5/1/2010	795,328	994,768	199,440	79.95%	153,948	129.55%
5/1/2011	886,328	1,010,996	124,668	87.67%	163,114	76.43%
5/1/2012	864,606	1,070,752	206,146	80.75%	161,134	127.93%
5/1/2013	947,070	1,115,165	168,095	84.93%	166,878	100.73%
5/1/2014	1,027,655	1,149,884	122,229	89.37%	167,629	72.92%
5/1/2015	1,085,134	1,185,744	100,610	91.52%	166,853	60.30%
Firefighters' Pension System						
5/1/2006	423,782	434,033	10,251	97.64%	47,022	21.80%
5/1/2007	458,231	447,939	(10,292)	102.30%	49,421	-20.83%
5/1/2008	427,637	478,734	51,097	89.33%	51,169	99.86%
5/1/2009	290,408	500,194	209,786	58.06%	53,613	391.30%
5/1/2010	374,722	516,600	141,878	72.54%	51,934	273.19%
5/1/2011	412,543	528,481	115,938	78.06%	51,983	223.03%
5/1/2012	402,456	535,215	132,759	75.20%	60,063	221.03%
5/1/2013	431,860	547,788	115,928	78.84%	58,356	198.66%
5/1/2014	462,585	583,168	120,583	79.32%	59,410	202.97%
5/1/2015	483,018	603,418	120,400	80.05%	59,295	203.05%

Sources:

- 1) City of Kansas City, Missouri Employees' Retirement System Actuarial Valuation Report as of May 1, 2015 prepared by Cheiron
- 2) City of Kansas City, Missouri Firefighters' Pension System Actuarial Valuation Report as of May 1, 2006 prepared by Segal
- 3) City of Kansas City, Missouri Firefighters' Pension System Actuarial Valuation Report as of May 1, 2008, 2010, 2012, 2014 and 2015 prepared by Cheiron
- 4) Police Retirement System of Kansas City, Missouri Actuarial Valuation Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC
- 5) Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri Actuarial Valuation Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC
- 6) Fiscal Years 2006-2015 City of Kansas City, Missouri Comprehensive Annual Financial Report

**Comparative Ratios
Pension Systems**

	(a)	(b) (in thousands)	(a/b)		
Actuarial Valuation Date	Actuarial Value of Assets	Market Value of Assets	% of AVA to Market Value	Funded Ratio (Actuarial Value)	Funded Ratio (Market Value)
Police Retirement System					
4/30/2006	635,622	692,540	91.78%	81.99 %	89.33%
4/30/2007	698,079	755,107	92.45%	86.41 %	93.47%
4/30/2008	742,060	734,380	101.05%	87.23 %	86.32%
4/30/2009	641,177	534,314	120.00%	71.76 %	59.80%
4/30/2010	722,464	655,571	110.20%	78.92 %	71.61%
4/30/2011	715,764	715,764	100.00%	76.10 %	76.10%
4/30/2012	734,376	687,871	106.76%	75.54 %	70.76%
4/30/2013	749,617	717,318	104.50%	77.73 %	74.39%
4/30/2014	773,338	763,076	101.34%	76.85 %	75.83%
4/30/2015	803,673	793,880	101.23%	77.48 %	76.54%
Civilian Employees' Retirement System					
4/30/2006	78,847	85,256	92.48%	74.43 %	80.48%
4/30/2007	89,111	95,807	93.01%	80.72 %	86.79%
4/30/2008	97,990	96,639	101.40%	83.31 %	82.16%
4/30/2009	86,333	71,944	120.00%	69.07 %	57.56%
4/30/2010	100,516	91,224	110.19%	76.60 %	69.52%
4/30/2011	102,523	102,523	100.00%	74.81 %	74.81%
4/30/2012	108,018	101,193	106.74%	75.59 %	70.81%
4/30/2013	113,171	108,518	104.29%	76.12 %	73.00%
4/30/2014	119,076	117,341	101.48%	76.69 %	75.58%
4/30/2015	126,030	123,941	101.69%	78.54 %	77.24%
Employees' Retirement System					
5/1/2006	745,721	828,579	90.00%	93.12 %	103.46%
5/1/2007	823,014	914,460	90.00%	97.12 %	107.91%
5/1/2008	873,680	883,100	98.93%	93.51 %	94.52%
5/1/2009	704,069	640,063	110.00%	72.83 %	66.21%
5/1/2010	749,552	795,328	94.24%	75.35 %	79.95%
5/1/2011	806,793	886,328	91.03%	79.80 %	87.67%
5/1/2012	847,090	864,606	97.97%	79.11 %	80.75%
5/1/2013	900,062	947,070	95.04%	80.71 %	84.93%
5/1/2014	962,152	1,027,655	93.63%	83.67 %	89.37%
5/1/2015	1,026,046	1,085,134	94.55%	86.53 %	91.52%
Firefighters' Pension System					
5/1/2006	381,404	423,782	90.00%	87.87 %	97.64%
5/1/2007	412,408	458,231	90.00%	92.07 %	102.30%
5/1/2008	447,209	427,637	104.58%	93.42 %	89.33%
5/1/2009	348,489	290,408	120.00%	69.67 %	58.06%
5/1/2010	435,428	374,722	116.20%	84.29 %	72.54%
5/1/2011	432,541	412,543	104.85%	81.85 %	78.06%
5/1/2012	420,337	402,456	104.44%	78.54 %	75.20%
5/1/2013	418,712	431,860	96.96%	76.44 %	78.84%
5/1/2014	452,378	462,585	97.79%	77.57 %	79.32%
5/1/2015	476,356	483,018	98.62%	78.94 %	80.05%

Notes:

- 1) Employer contributions are sourced from any legally available revenues of the City.
- 2) The City acquired a private ambulance service in 2010. Upon joining the City, employees of the private ambulance service were allowed to choose between two retirement benefit options: participate in the Employees' Retirement System with formulaic credit for age and years of service with the private ambulance service or participate in a defined contribution plan. The May 1, 2012 valuation includes benefit assumptions for employees who have chosen the defined benefit plan resulting in an increased Actuarial Accrued Liability. Plan design changes require either an ordinance of the City Council (in the case of the Employees' and Firefighters' Retirement Systems) or statutory approval (in the case of Police and Civilian Employees' Retirement Systems).
- 3) Actuarial valuations are undertaken annually for all four pension plans. Those valuations occasionally contain changes in assumptions or methods. Information for each plan can be obtained from the Plan Sponsor.
- 4) Plan design changes for the police and police civilian pension plans were approved by the Missouri General Assembly and the Governor in August 2013 and were implemented on September 1, 2013. Plan design changes for the employees' and firefighters' pension plans have been approved by affected labor unions and were approved by the City Council on February 20, 2014. The plan design changes for all four pension plans include a requirement that the City fully fund the Annual Required Contribution (ARC). Other changes include a Tier 2 benefit plan for new employees and increased contributions from all employees.

Sources:

- 1) City of Kansas City, Missouri Employees' Retirement System Actuarial Valuation Report as of May 1, 2015 prepared by Cheiron
- 2) City of Kansas City, Missouri Firefighters' Pension System Actuarial Valuation Report as of May 1, 2006 prepared by Segal
- 3) City of Kansas City, Missouri Firefighters' Pension System Actuarial Valuation Report as of May 1, 2008, 2010, 2012, 2014 and 2015 prepared by Cheiron
- 4) Police Retirement System of Kansas City, Missouri Actuarial Valuation Report as of April 30, 2015 prepared by Cavanaugh Macdonald Consulting, LLC
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**Annual Employer Contribution Status
Pension Systems**

	(a)	(b)	(a-b)		
		<i>(in thousands)</i>			
Fiscal Year Ended	Actuarially Determined Contributions	Actual Employer Contribution	Amount Unfunded / (Overfunded)	Amount Unfunded as % of Total Primary Govt. Expenses	Amount Unfunded/(Overfunded) as % of Total General Fund Expenditures
Police Retirement System					
4/30/2006	18,993	13,729	5,264	0.46%	1.44%
4/30/2007	21,445	14,527	6,918	0.58%	1.73%
4/30/2008	22,749	15,747	7,002	0.55%	1.65%
4/30/2009	24,311	16,701	7,610	0.59%	1.66%
4/30/2010	23,642	16,645	6,997	0.55%	1.57%
4/30/2011	34,363	16,532	17,831	1.41%	4.09%
4/30/2012	31,757	16,477	15,280	1.18%	3.61%
4/30/2013	33,840	16,934	16,906	1.22%	3.85%
4/30/2014	35,507	22,241	13,266	0.96%	2.89%
4/30/2015	25,739	28,933	(3,194)	-0.23%	-0.68%
Civilian Employees' Retirement System					
4/30/2006	3,481	2,175	1,306	0.11%	0.36%
4/30/2007	3,854	2,682	1,172	0.10%	0.29%
4/30/2008	4,203	3,372	831	0.07%	0.20%
4/30/2009	4,322	3,471	851	0.07%	0.19%
4/30/2010	4,014	3,330	684	0.05%	0.15%
4/30/2011	5,413	3,185	2,228	0.18%	0.51%
4/30/2012	4,944	3,146	1,798	0.14%	0.42%
4/30/2013	5,202	3,283	1,919	0.14%	0.44%
4/30/2014	5,358	4,122	1,236	0.09%	0.27%
4/30/2015	4,931	4,931	-	0.00%	0.00%
Employees' Retirement System					
4/30/2006	25,771	17,558	8,213	0.71%	2.24%
4/30/2007	17,653	18,496	(843)	-0.07%	-0.21%
4/30/2008	15,624	20,011	(4,387)	-0.35%	-1.04%
4/30/2009	19,365	20,330	(965)	-0.07%	-0.21%
4/30/2010	29,589	19,186	10,403	0.82%	2.33%
4/30/2011	27,772	18,589	9,183	0.73%	2.10%
4/30/2012	26,327	18,422	7,905	0.61%	1.87%
4/30/2013	27,682	25,675	2,007	0.15%	0.46%
4/30/2014	27,568	25,987	1,581	0.11%	0.34%
4/30/2015	24,540	27,569	(3,029)	-0.22%	-0.65%
Firefighters' Pension System					
4/30/2006	9,808	9,088	720	0.06%	0.20%
4/30/2007	9,419	9,462	(43)	0.00%	-0.01%
4/30/2008	8,735	9,857	(1,122)	-0.09%	-0.27%
4/30/2009	9,476	10,315	(839)	-0.06%	-0.18%
4/30/2010	17,124	10,441	6,683	0.53%	1.50%
4/30/2011	12,828	10,235	2,593	0.21%	0.59%
4/30/2012	14,046	10,529	3,517	0.27%	0.83%
4/30/2013	15,400	11,521	3,879	0.28%	0.88%
4/30/2014	16,182	11,796	4,386	0.32%	0.96%
4/30/2015	16,582	16,258	324	0.02%	0.07%

Notes:

- 1) The City does not have any deferred or contingent contributions.
- 2) During fiscal years prior to Fiscal Year 2014, budgetary concerns had prevented the full funding of the Annual Required Contribution (ARC). Additionally, the City preferred a smoothed approach during those years, where it contributed an even percentage of payroll from year to year. As part of the City's pension reform measures, during Fiscal Year 2014 the full amount of the ARC was contributed to the employees' retirement system from all City funds other than the general fund and to the police and police civilian retirement systems beginning September 1, 2013. For Fiscal Year 2015, the full amount of ARC was contributed to all four plans. For Fiscal Year 2016, it is expected that the full amount of the ARC will be contributed to all four plans.
- 3) In Fiscal year 2015, GASB 67/68 changed the term Annual Required Contribution (ARC) to Actuarially Determined Contribution (ADC). Historical ARC prior to Fiscal Year 2015 are not restated in this report.
- 4) The tables indicate that the City has not always funded the ARC /ADC. City contributions to the pension systems are subject to annual appropriation. However, State statutes and City ordinances now require the full funding of the ARC/ADC on all four plans.

In June 2004, the Governmental Accounting Standards Board (“**GASB**”) issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. Specifically, the City is required to measure and disclose an amount for annual OPEB cost on the accrual basis for health benefits that will be provided to retired employees in future years. The disclosure requirement for the City began with the fiscal year ending April 30, 2008.

The following table displays specific information from the City's three most recent OPEB actuarial reports:

OTHER POST EMPLOYMENT BENEFITS (OPEB)								
(Amount Expressed in Thousands)								
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded Ratio	(c) Covered Payroll	[(b)-(a)]/(c) UAAL as a Percentage of Covered Payroll		
City of Kansas City - Employee/Firefighter Other Post-Employment Benefits								
4/30/2006	\$	-	150,376	150,376	- %	\$	193,387	77.76 %
4/30/2008		-	208,612	208,612	-		221,036	94.38 %
4/30/2010 (1)		-	76,574	76,574	-		205,882	37.19 %
4/30/2012		-	105,013	105,013	-		221,197	47.47 %
4/30/2014		-	97,828	97,828	-		227,039	43.09%
City of Kansas City – Police/Civilian Other Post-Employment Benefits								
4/30/2010		-	54,184	54,184	- %		116,611	46.47 %
4/30/2012		-	55,129	55,129	-		113,136	48.73%
4/30/2014		-	46,301	46,301	-		114,100	40.58%

(1) The April 30, 2010 actuarial valuation included the following changes in assumptions:

1. Medicare eligibility: In the prior valuations, it was assumed that 25% of firefighter retirees hired before 1987 would not be eligible for Medicare. It was determined that this assumption was not holding true for the current retirees (all were Medicare eligible). For the 2010 valuation, all retirees are assumed to be eligible for Medicare at attainment of age 65.
2. Participation and election assumptions: In the prior valuations, it was assumed that 90% of eligible retirees would elect coverage at retirement and that 100% of those electing would elect 2-person coverage. This was determined to be overly conservative for an access only plan (a plan where the retiree pays the full blended premium), and was not being observed in the actual retiree elections. For the 2010 valuation, 50% participation was assumed with 85% of males participating electing 2-person coverage and 55% of females participating electing 2-person coverage.

The Employee/Firefighter annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years indicated were as follows:

Schedule of Employer Contributions			
(In thousands)			
Fiscal year ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB (obligation)
4/30/2008	\$ 16,017	13%	\$ (13,916)
4/30/2009	21,988	15%	(32,504)
4/30/2010	21,336	16%	(50,440)
4/30/2011	7,381	29%	(55,669)
4/30/2012	7,544	32%	(60,820)
4/30/2013	9,579	69%	(63,761)
4/30/2014	9,955	68%	(66,928)
4/30/2015	8,730	78%	(68,809)

The Police/Civilian OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2011 to 2015 were as follows:

Police/Civilian Annual OPEB Cost and Net OPEB Obligation			
(In thousands)			
Fiscal year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB (Obligation)
4/30/2011	\$ 6,422	8%	\$ (5,901)
4/30/2012	6,590	24%	(10,926)
4/30/2013	6,343	18%	(16,099)
4/30/2014	6,525	19%	(21,387)
4/30/2015	5,185	22%	(25,455)

Note: Under Governmental Accounting Standards Board Statement (GASB) No. 45, the difference between the premium rate charged to retirees and the estimated rate that would be applicable to those retirees if acquired of them as a separate group is an implicit rate subsidy, which is considered an other postemployment benefit (OPEB) under the standard. Prior to May 1, 2011, the Kansas City Board of Police Commissioners required the retirees to pay 30% more than premiums charged for active employees. The Board eliminated the 30% surcharge effective May 1, 2011.

For additional information regarding the Kansas City, Missouri OPEB, please refer to the City's 2015 Comprehensive Annual Financial Report.

Source: Note Disclosures and Required Supplementary Information Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year ended April 30, 2015.

DEBT INFORMATION

Debt Structure of the City

General Obligation Bonds. The City is authorized to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon a four-sevenths (4/7) majority vote of qualified voters at the general municipal election day, primary or general elections and a two-thirds (2/3) majority vote at all other elections. At this time, the City does not have any voted general obligation bond authority.

Neighborhood Improvement District Bonds. The City may also issue certain neighborhood improvement district (“NID”) bonds without a vote and these bonds are payable as to both principal and interest from special assessments against real property benefitted by the acquisition and construction of improvements and, if not so paid, from current income and revenues and surplus funds of the City. The City indebtedness of NID bonds shall be treated equally as general obligation indebtedness, except that the City is not authorized to impose any new or increased ad valorem property tax to pay principal and interest on the NID bonds without voter approval.

As of April 30, 2015 (fiscal year end), the City had an outstanding total aggregate principal amount of \$378,785,000 of general obligation bonds, which includes the outstanding balance of \$265,000 Neighborhood Improvement District Bonds.

In June 2015, the City issued General Obligation Refunding Bonds, Series 2015A (“Series 2015A Bonds”) in the amount of \$42,195,000. The Series 2015A bonds advance refunded \$44,535,000 of the General Obligation Improvement and Refunding Bonds, Series 2007A eligible to be advance refunded pursuant to federal tax law.

Revenue Bonds, Notes and Loans. Other than refunding bonds, the City’s general obligation and revenue bonds require a vote of the electorate. All revenue bonds issued by the City are payable out of the revenues derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not carry the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margin.

As of April 30, 2015, the City had an outstanding total of \$905,825,304 aggregate principal amount of revenue bonds which includes \$383,953,704 in water revenue bonds and lease purchase agreements, \$304,116,600 in sewer revenue bonds, and \$217,755,000 in airport revenue bonds. To match funds from grants for storm water projects, the City entered into loans with the Missouri Department of Natural Resources (“MDNR”). As of April 30, 2015, the City had an outstanding balance of \$2,964,700 aggregate principal amount of MDNR storm water loans.

As of April 30, 2015, the City had remaining voted authority for \$240,416,000 in airport revenue bonds, \$440,210,000 in water revenue bonds, \$474,737,000 in sewer bonds and \$5,000,000 in museum revenue bonds.

On October 23, 2015, the City repaid the remaining automated-meter-reading (“AMR”) lease purchase outstanding in the amount of \$14,937,104.39. This leaves the water revenue bonds/lease with an outstanding balance of \$ 367,410,000.00.

Lease Revenue Bonds and Equipment Leases. The City may enter into financing arrangements for building projects through lease-leaseback purchase agreements with not-for-profit corporations or bond issuing authorities, which may issue tax-exempt bonds without voter approval to finance City projects. The City has financed several projects through the Kansas City Municipal Assistance Corporation (“KCMAC”). The City makes annual lease payments under these lease arrangements in an amount required to pay debt service on the bonds. The City's obligations under these leases are subject to annual appropriation and must be budgeted each year and do not constitute an indebtedness of the City beyond the current lease term. As of April 30, 2015, the City had capital leases pursuant to such arrangements outstanding at total aggregate principal of \$130,811,041.

From time to time, the City enters into lease purchase agreements for real property and equipment, such as the purchase of land, buildings, communications equipment, vehicles, and computer hardware. As of April 30, 2015, the City had an outstanding aggregate principal total of \$16,622,589 of such equipment leases.

In June 2015, the City entered into lease purchase financing agreements to finance the acquisition of fire fleet vehicles in the amount of \$34,640,649.76.

Limited Obligation Notes and Bonds. As of April 30, 2015, the City had outstanding a total of \$1.014 billion aggregate principal in limited obligation notes and bonds that do not constitute an indebtedness of the City beyond the requirement to annually appropriate the required debt service.

TITLE	OUTSTANDING AS OF 4/30/15 (\$000)
Various Capital Projects, Series 2015A	19,335
Various Capital Projects, Series 2014D	9,819
Various Capital Projects, Series 2014A and 2014B	76,765
Various Capital Projects, Series 2013B and 2013C	60,585
Various Capital Projects, Series 2012A and 2012B	69,430
Various Capital Projects, Series 2010A, 2010B and 2010C	20,160
Performing Arts Center Garage, Series 2009E	47,598
Chouteau, Series 2009C and 2009D	8,505
President Hotel, Series 2009B	14,395
909 Walnut, Series 2009A	5,700
Bartle Hall, Series 2008E and 2008F	105,795
Downtown Arena, Series 2008C and 2008D	202,930
East Village, Series 2008B	27,530
Various Capital Projects, Series 2008A	18,465
Muehlebach and Auditorium Plaza Garage, LCRA Series 2005E	9,520
KC Live Entertainment District, IDA Series 2005A, 2011A and Special Obligation Series 2014C	279,895
Midtown/Uptown Projects, Series 2007A	24,425
Civic Mall, Series 2006C	750
Third and Wyandotte Garage, PIEA Series 2005	4,765
HUD Note	2,840
MTFC Loan	4,247
	\$1,013,454

The City made a redemption payment of \$1,414,323.04 to pay a portion of the Kansas City, Missouri Special Obligation Bonds, Series 2014D on December 1, 2015.

Debt Service Requirements

The following debt service tables show the principal and interest requirements for each respective fiscal year for City's outstanding debt as of December 1, 2015:

PRINCIPAL AND INTEREST REQUIREMENTS ON OUTSTANDING OBLIGATIONS December 1, 2015

Fiscal Year	Outstanding Long-Term General Obligation Bonds			% of Principal Retired
	Principal	Interest ⁽¹⁾	Total	
2016	29,530,000	15,024,414	44,554,414	
2017	30,660,000	14,755,120	45,415,120	
2018	24,430,000	13,554,970	37,984,970	
2019	26,500,000	12,537,370	39,037,370	
2020	28,270,000	11,329,320	39,599,320	37.03%
2021	29,690,000	10,496,183	40,186,183	
2022	31,165,000	9,613,033	40,778,033	
2023	32,120,000	8,335,663	40,455,663	
2024	32,070,000	6,732,685	38,802,685	
2025	30,275,000	5,250,355	35,525,355	78.29%
2026	31,850,000	3,845,613	35,695,613	
2027	19,740,000	2,353,013	22,093,013	
2028	13,500,000	1,395,113	14,895,113	
2029	4,730,000	750,413	5,480,413	
2030	4,950,000	535,275	5,485,275	98.15%
2031	5,195,000	295,975	5,490,975	
2032	1,770,000	61,950	1,831,950	
	<u>\$ 376,445,000</u>	<u>\$ 116,866,461</u>	<u>\$ 493,311,461</u>	100.00%

- (1) Interest payments are shown on a gross basis; no deduction has been made for expected federal interest subsidy payments for the Series 2010B Bonds issued as Recovery Zone Economic Development Bonds (RZEDB's).

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Airport Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2016	22,435,000	10,416,660	32,851,660	
2017	23,530,000	9,314,785	32,844,785	
2018	24,740,000	8,105,098	32,845,098	
2019	25,995,000	6,830,084	32,825,084	
2020	27,330,000	5,488,073	32,818,073	56.96%
2021	16,655,000	4,376,444	21,031,444	
2022	11,775,000	3,658,875	15,433,875	
2023	12,380,000	3,055,000	15,435,000	
2024	13,015,000	2,420,125	15,435,125	
2025	13,700,000	1,735,125	15,435,125	87.97%
2026	14,440,000	996,450	15,436,450	
2027	5,725,000	467,119	6,192,119	
2028	6,035,000	158,419	6,193,419	
	<u>\$ 217,755,000</u>	<u>\$ 57,022,255</u>	<u>\$ 274,777,255</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt			% of
	Water Revenue Bonds and Lease Purchase Agreements			Principal
	Principal	Interest	Total	Retired
2016	31,483,705	14,808,488	46,292,193	
2017	16,485,000	14,877,126	31,362,126	
2018	17,180,000	14,179,985	31,359,985	
2019	17,895,000	13,462,224	31,357,224	
2020	18,610,000	12,723,680	31,333,680	26.48%
2021	19,340,000	11,947,938	31,287,938	
2022	18,510,000	11,079,760	29,589,760	
2023	19,215,000	10,340,063	29,555,063	
2024	18,800,000	9,469,589	28,269,589	
2025	17,470,000	8,572,780	26,042,780	50.78%
2026	14,350,000	7,796,228	22,146,228	
2027	14,915,000	7,203,888	22,118,888	
2028	15,655,000	6,551,921	22,206,921	
2029	13,425,000	5,851,769	19,276,769	
2030	13,985,000	5,275,094	19,260,094	69.62%
2031	14,600,000	4,677,831	19,277,831	
2032	15,240,000	4,064,350	19,304,350	
2033	15,870,000	3,435,013	19,305,013	
2034	11,560,000	2,741,900	14,301,900	
2035	12,005,000	2,327,863	14,332,863	87.67%
2036	12,490,000	1,841,588	14,331,588	
2037	13,010,000	1,335,575	14,345,575	
2038	10,520,000	816,300	11,336,300	
2039	7,275,000	413,925	7,688,925	
2040	4,065,000	142,275	4,207,275	100.00%
	\$ 383,953,705	\$ 175,937,152	\$ 559,890,857	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.
The table includes the payment of \$16,582,659.53 in principal and interest on the
automated-meter-reading (“AMR”) lease schedules paid in fiscal year 2016.

Fiscal Year	Outstanding Long-Term Debt Sanitary Sewer Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2016	17,885,600	13,351,286	31,236,886	
2017	16,515,100	12,532,952	29,048,052	
2018	15,700,000	11,798,431	27,498,431	
2019	16,230,300	11,188,501	27,418,801	
2020	16,100,800	10,479,869	26,580,669	27.11%
2021	16,266,700	9,752,193	26,018,893	
2022	15,353,000	9,060,964	24,413,964	
2023	15,069,600	8,451,418	23,521,018	
2024	13,886,700	7,882,500	21,769,200	
2025	13,334,000	7,226,490	20,560,490	51.41%
2026	12,091,700	6,590,772	18,682,472	
2027	12,585,000	6,085,141	18,670,141	
2028	13,158,500	5,517,863	18,676,363	
2029	13,777,600	4,900,534	18,678,134	
2030	14,122,000	4,334,084	18,456,084	73.02%
2031	13,900,000	3,668,094	17,568,094	
2032	14,560,000	3,013,631	17,573,631	
2033	12,520,000	2,327,788	14,847,788	
2034	13,085,000	1,761,238	14,846,238	
2035	8,950,000	1,168,031	10,118,031	93.74%
2036	9,320,000	795,156	10,115,156	
2037	9,705,000	406,031	10,111,031	
	<u>\$ 304,116,600</u>	<u>\$ 142,292,966</u>	<u>\$ 446,409,566</u>	100.00%

- (1) The City participated in the State of Missouri Direct Loan Program and purchased \$16,000,000 Sewage System State Revolving Fund ("SRF") Bonds in 2009. The City did not utilize a portion of the bond proceeds for which it was originally approved. In January 2014, the trustee provided a re-amortized schedule. The numbers above reflect the re-amortized final bond balance of \$14,387,758.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Storm Water Loan			% of Principal Retired
	Principal	Interest	Total	
2016	396,500	47,166	443,666	
2017	403,600	40,784	444,384	
2018	409,800	34,297	444,097	
2019	416,000	27,710	443,710	
2020	423,200	21,015	444,215	69.12%
2021	428,600	14,212	442,812	
2022	348,000	7,316	355,316	
2023	22,000	1,792	23,792	
2024	23,000	1,477	24,477	
2025	23,000	1,155	24,155	97.61%
2026	23,000	833	23,833	
2027	24,000	504	24,504	
2028	24,000	168	24,168	
	<u>\$ 2,964,700</u>	<u>\$ 198,429</u>	<u>\$ 3,163,129</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt MTFC Loan			% of Principal Retired
	Principal	Interest	Total	
2016	1,361,313	178,385	1,539,698	
2017	1,418,488	121,210	1,539,698	
2018	1,467,455	61,633	1,529,089	
	<u>\$ 4,247,256</u>	<u>\$ 361,228</u>	<u>\$ 4,608,484</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt KCMAC Leasehold Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2016	13,495,000	3,296,475	16,791,475	
2017	10,000,000	2,645,250	12,645,250	
2018	11,095,000	2,145,250	13,240,250	
2019	15,855,000	1,590,500	17,445,500	
2020	15,955,000	797,750	16,752,750	50.76%
2021	7,033,183	8,391,817	15,425,000	
2022	6,888,451	9,201,549	16,090,000	
2023	6,739,498	10,055,502	16,795,000	
2024	5,719,817	9,485,183	15,205,000	
2025	-	-	-	70.93%
2026	6,583,309	13,256,691	19,840,000	
2027	6,421,104	14,218,896	20,640,000	
2028	6,326,780	15,143,220	21,470,000	
2029	6,233,252	16,101,748	22,335,000	
2030	6,105,467	17,114,533	23,220,000	95.14%
2031	6,010,211	18,139,790	24,150,000	
2032	349,971	1,140,029	1,490,000	
	<u>\$ 130,811,041</u>	<u>\$ 142,724,184</u>	<u>\$ 273,535,225</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Lease Purchase Agreements			% of Principal Retired
	Principal	Interest	Total	
2016	4,945,780	365,425	5,311,205	
2017	5,204,565	1,203,925	6,408,490	
2018	4,620,099	1,081,327	5,701,427	
2019	4,781,397	969,127	5,750,524	
2020	5,014,169	857,218	5,871,387	47.92%
2021	4,781,660	728,990	5,510,651	
2022	4,368,808	610,604	4,979,412	
2023	8,652,099	508,244	9,160,342	
2024	1,527,409	269,743	1,797,152	
2025	1,573,730	223,422	1,797,152	88.70%
2026	5,793,524	186,096	5,979,620	
	<u>\$ 51,263,239</u>	<u>\$ 7,004,121</u>	<u>\$ 58,267,360</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

**Outstanding Long-Term Debt
Limited Obligations Notes and Bonds**

Year	Outstanding Long-Term Debt Other Limited Obligations Notes and Bonds		Fiscal Total	% of Principal Retired
	Principal	Interest ⁽¹⁾		
2016	30,537,226	45,608,012	76,145,238	
2017	34,216,700	44,454,523	78,671,223	
2018	49,759,643	46,258,015	96,017,658	
2019	49,868,857	45,025,767	94,894,624	
2020	45,643,601	43,474,062	89,117,664	20.81%
2021	49,093,703	41,938,042	91,031,745	
2022	46,311,352	40,192,844	86,504,196	
2023	44,924,931	38,899,951	83,824,882	
2024	46,064,290	37,269,022	83,333,312	
2025	61,947,117	35,552,470	97,499,587	45.42%
2026	44,625,592	32,926,938	77,552,530	
2027	44,214,305	31,083,473	75,297,778	
2028	46,468,025	29,215,875	75,683,900	
2029	45,271,722	31,171,983	76,443,704	
2030	42,610,976	18,142,278	60,753,254	67.53%
2031	45,735,288	15,912,264	61,647,552	
2032	58,054,074	13,697,609	71,751,683	
2033	54,317,922	10,943,369	65,261,291	
2034	47,421,415	8,435,538	55,856,953	
2035	18,275,000	6,163,479	24,438,479	89.71%
2036	19,415,000	5,220,979	24,635,979	
2037	20,540,000	4,213,246	24,753,246	
2038	26,125,000	3,032,253	29,157,253	
2039	18,390,000	1,902,989	20,292,989	
2040	19,375,000	924,320	20,299,320	100.00%
	<u>\$ 1,009,206,741</u>	<u>\$ 631,659,298</u>	<u>\$ 1,640,866,039</u>	100.00%

(1) The “Interest Column” includes six (6) variable rate demand (VRDO) tax-exempt and taxable bonds. Future interest rates on these bonds were based on an all-in estimated interest rate of 4.5% to 5.15% and 4.75% to 4.98% for tax-exempt and taxable VRDO bonds, respectively. The rates include letter-of-credit (“LOC”), remarketing, surveillance and other fees. Rate assumptions are for illustration purposes and actual rates will vary.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Authority

The following table summarizes the City's total bond authority as of December 1, 2015.

AUTHORIZED UNISSUED DEBT
(Amounts Expressed in Thousands)

Type/Purpose	Date	Amount	Amount Issued	Total Unissued
<u>Revenue Bonds:</u>				
Kansas City Museum	Mar. 8, 1988	5,000	0	5,000
Airport	Aug. 8, 2000	395,000	154,584	240,416
Water System	April 8, 2014	500,000	59,790	440,210
Sewer	Aug. 7, 2012	500,000	25,263	474,737 ⁽¹⁾
TOTAL		1,400,000	\$239,637	\$1,160,363

(1) Adjusted due to the re-amortization of the SRF Sanitary Sewer Revenue Bonds, Series 2009B

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

History of Indebtedness

The following tables set forth the general bonded debt information pertaining to the City as of the end of the last ten fiscal years.

RATIOS OF BONDED DEBT OUTSTANDING

(Amounts Expressed In Thousands)

Fiscal Year	General Obligation Bonds ⁽¹⁾	Other Bonds and Leases (1)(2)	Percentage of Actual Taxable Value Per of Property ⁽³⁾ Capita		
			Total		
2006	228,130	1,110,637	1,338,767	5.04%	2,959
2007	289,725	1,235,918	1,525,643	5.59%	3,358
2008	311,325	1,248,317	1,559,642	5.23%	3,419
2009	294,100	1,210,235	1,504,335	4.96%	3,285
2010	309,785	1,253,247	1,563,032	5.39%	3,399
2011	342,240	1,195,101	1,537,341	5.28%	3,327
2012	449,290	1,191,494	1,640,784	5.67%	3,533
2013	434,835	1,127,454	1,562,289	5.42%	3,344
2014	407,515	1,190,595	1,598,110	5.57%	3,394
2015	378,785	1,160,888	1,539,673	5.31%	3,256

(1) The numbers are not net of unamortized premium, discount and deferred charges on refundings.

(2) Includes KCMAC leasehold revenue bonds, lease purchase agreements and other limited obligations. It also includes actual outstanding balances of bonds that were considered as "contingent liabilities" in the City of Kansas City, Missouri's CAFR from Fiscal Year 2006 to 2009. It does include the Special Facility Airport Revenue Bonds, Series 2005G. The series 2005G was classified under business type activities in the CAFR. It does not include the DNR Loan for the Water Services Department.

(3) Prior year actual valuations of real property from fiscal years 2012 through 2014 have been restated.

Due to footnote (1) and (2), the numbers on this table do not match the numbers on Table 13 of the statistical section of the 2015 Comprehensive Annual Financial Report.

Note: The Debt per Capita may change from time to time due to periodic review of the population estimates by the U.S. Census Bureau.

Source: Treasury Division, Finance Department.

Direct and Overlapping Indebtedness

Other governmental entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. The following statements of direct and estimated overlapping ad valorem and other net direct debt were compiled from a survey of the various taxing districts.

CITY OF KANSAS CITY, MISSOURI
Direct and Overlapping Debt
General Obligation and Other Net Direct Debt
As of April 30, 2015

	General Obligation and Other Net Direct Debt(3)	Percentage Applicable to this Municipality (1)	Municipality's Share of Debt
City of Kansas City	\$ 1,539,672,628 (2)	100.0%	1,539,672,628
Clay County	3,938,885	45.4%	1,788,254
Jackson County	467,574,848	44.7%	209,005,957
Platte County	43,632,679	50.7%	22,121,768
Cass County	-	0.0%	-
Metropolitan Junior College District	65,345,000	54.8%	35,809,060
Platte County School Districts:			
A. Park Hill Reorganized No. 5	86,507,230	43.0%	37,198,109
B. Platte County Reorganized No. 3	58,849,999	40.0%	23,540,000
Clay County School Districts:			
C. Smithville No. 27	26,215,000	3.4%	891,310
D. North Kansas City No. 74	195,635,000	83.2%	162,768,320
E. Liberty No. 53	123,159,925	10.0%	12,315,992
Jackson County School Districts:			
F. Kansas City No. 33	32,145,000	93.0%	29,894,850
G. Raytown No. 2	79,100,000	44.3%	35,041,300
H. Independence No. 30	146,215,000	2.2%	3,216,730
I. Lee's Summit Reorganized No. 7	187,109,628	1.0%	1,871,096
J. Center No. 58	30,439,993	100.0%	30,439,993
K. Hickman Mills Consolidated No. 1	41,025,974	87.3%	35,815,675
L. Grandview Consolidated No. 4	34,882,138	53.0%	18,487,533
M. Blue Springs School Dist	129,915,000	0.0%	-
Subtotal Overlapping Debt	<u>1,751,691,299</u>		<u>660,205,948</u>
Total direct and overlapping debt			<u><u>2,199,878,575</u></u>

(1) Percentage is derived by dividing total assessed valuation of taxing jurisdiction within Kansas City by total assessed valuation of taxing jurisdiction.

(2) Consists of \$378,785,000 of general obligation bonds payable and \$1,160,887,628 of leasehold revenue bonds, lease purchase agreements, and limited obligation notes and bonds. These numbers are not net of unamortized premium, discount.

(3) All debt figures are not net of available balance in the sinking fund.

Note: Due to footnote No. 2 above, the City's direct debt on this table does not match the numbers on Table 14 of the statistical section of the 2015 Comprehensive Annual Financial Report for Fiscal Year 2015.

City of Kansas City, Missouri
Legal Debt Margin Information
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation for City, county, and state purposes	\$ 6,336,284,000	\$ 6,490,128,000	\$ 7,091,150,000	\$ 7,178,927,000	\$ 6,880,215,000	\$ 6,876,960,000	\$ 6,841,192,000 ⁽⁵⁾	\$ 6,807,611,000 ⁽⁵⁾	\$ 6,806,493,000 ⁽⁵⁾	\$ 6,882,341,000
Constitutional debt limit (1) (2)	1,267,256,800	1,298,025,600	1,418,230,000	1,435,785,400	1,376,043,000	1,375,392,000	1,368,238,400	1,361,522,200	1,361,298,600	1,376,468,200
General obligation bonds payable (3)	228,130,000	289,725,000	311,325,000	294,100,000	309,785,000	342,240,000	449,290,000	434,835,000	407,515,000	378,785,000
Less debt service fund balances available for retirement of bonds	10,939,752	15,899,741	13,886,969	4,853,175	2,305,177	2,850,169	2,440,753	2,601,419	1,850,150	1,262,986 ⁽⁴⁾
Total amount of bonds payable applicable to debt limit	217,190,248	273,825,259	297,438,031	289,246,825	307,479,823	339,389,831	446,849,247	432,233,581	405,664,850	377,522,014
Legal debt margin	\$ 1,050,066,552	\$ 1,024,200,341	\$ 1,120,791,969	\$ 1,146,538,575	\$ 1,068,563,177	\$ 1,036,002,169	\$ 921,389,153	\$ 929,288,619	955,633,750	998,946,186

(1) Section 26(b) and (c) of the state constitution permits the City, by a vote of the qualified electors, to incur an indebtedness for City purposes not to exceed 10% of assessed valuation.

(2) Section 26(d) and (e) of the state constitution provides that any City may become indebted not exceeding in the aggregate an additional 10% for the purposes of acquiring the rights-of-way constructing, extending, and improving streets, avenues and sanitary or storm sewer systems, purchasing or constructing waterworks, electric, or light plants, provided the total general obligation indebtedness does not exceed 20% of assessed valuation.

(3) The total general obligation bonds for Fiscal Year 2015 includes \$20,445,000 general obligation bonds for streetlight projects, \$358,075,000 for capital projects, and \$265,000 general obligation bonds for neighborhood improvement district projects.

(4) 2012, 2013, 2014 and 2015 fund balances of general debt and interest, special assessment sewer and neighborhood improvement district funds.

(5) Assessed valuation restated.

Source: Statistical Section of the Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year 2015 and Treasury Division, Finance Department, City of Kansas City, Missouri